

Arbitrator's Decision. GTE should impose no restrictions on MCI's resale of services except for lifeline services and residential service to businesses.

Discussion. In ¶ 62, the FCC addressed resale of residential service to business customers, and the resale of Lifeline service to non-qualifying residential customers. It concluded that a restriction against cross-class resale for those services would be reasonable. The FCC addressed resale of shared tenant services in ¶ 963. In that instance, it concluded that it would not be reasonable to adopt a restriction against resale of shared tenant services.

The FCC addressed other cross-class restrictions in ¶964. It decided to also presume that other restrictions would be unreasonable:

We also conclude that all other cross-class selling restrictions should be presumed unreasonable. Without clear statutory direction concerning potentially allowable cross-class restrictions, we are not inclined to allow the imposition of restrictions that could fetter the emergence of competition. As with volume discount and flat-rated offerings, we will allow incumbent LECs to rebut this presumption by proving to the state commission that the class restriction is reasonable and nondiscriminatory.

There is no legitimate concern about resale of business service to residential customers. The only cross-class scenario with public policy considerations supporting protection for price discrimination is the resale of residential service to business customers.

ISSUE NO. 22: GTE List of Services

Statement of Issue. How soon after this agreement takes effect should GTE provide MCI with a list of GTE's telecommunications services?

GTE Position. GTE shall provide MCI with a list of all telecommunications services, features and functions offered at retail rates to its customers, including new services, trial offers and promotions lasting longer than 90 days within a reasonable time after the effective date of the Agreement. When GTE offers a new service, it does so by means of a tariff offering that is subject to review by the Commission, and GTE's tariffs provide notice of all new services to the general public, including CLECs.

MCI Position. GTE should provide MCI with a list of all Telecommunications Services features and functions, including new services, trial offers, and promotions within 10 days of the Effective Date of this Agreement.

Arbitrator's Decision. GTE shall provide MCI with a list of all telecommunications services, features and functions offered at retail rates to its customers, including new services, trial offers and promotions lasting longer than 90 days within 10 days of the Effective Date of the Agreement.

Discussion. A willing seller in a competitive marketplace would seek to

Discussion. A willing seller in a competitive marketplace would seek to inform its customer base of all telecommunications services available for resale as soon as they were available. GTE will have ample time to prepare a list prior to approval of the Agreement.

ISSUE NO. 23: Notification of New Services

Statement of Issue. What is a reasonable period for advance notification of new services?

GTE Position. GTE will file tariffs prior to offering new services. The tariff filing, in effect, serves as a public notification. This issue has been resolved by a stipulation between the parties. GTE relies on Stipulation 207991.1.

MCI Position. GTE should notify MCI of any proposed changes in the terms and conditions under which it offers unbundled network elements including, but not limited to, the introduction or discontinuance of any features, functions, services, promotions or changes in rates at least 45 days prior to the effective date of such change, or concurrent with GTE internal notification process for such change, or as required by state notification guidelines, whichever is earliest.

Arbitrator's Decision. Stipulation 207991.1 shall be adopted by the arbitrator subject to the determination of Issue No. 19 herein. GTE is not required to give advance notice of promotions lasting less than 90 days; however, GTE shall give notice of promotions lasting less than 90 days on the date that any such promotion begins. GTE is required to give advance notice of promotions lasting more than 90 days.

Discussion. The language of Stipulation 207991.1 contemplates different parameters than MCI's best final offer. Therefore, the language of the stipulation shall control. Pursuant to resolution of Issue No. 19, promotions lasting more than ninety days shall be made available for resale. In a resale environment, adequate advance is necessary in order to adjust business operations to the change. MCI is not entitled to advance notice of promotions for which it is not authorized to resell; however, there is no loss of a competitive advantage to GTE by notifying MCI at such time that a short term promotion is initiated. A short term promotion is initiated on the first day that it is made available to GTE customers. Notification of the initiation of a promotion lasting less than ninety days will enable MCI to verify the status of GTE's promotions, and it will help to avoid ongoing disputes between the parties on this issue.

ISSUE NOS. 24, 25, 26: Resale - Payphone, Semi-Public and COCOT Lines

Statement of Issue. Should GTE be required to offer public payphone, semi-public pay phone, COCOT coin and COCOT coinless lines to MCI at wholesale rates?

GTE Position. Section 251(c)(4) of the Act provides that GTE must offer for resale at wholesale rates any telecommunications service that the carrier provides at

for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers. GTE does not provide end user public payphone service at retail.

The provisioning of semi-public payphones has been deregulated by the FCC and is no longer offered to subscribers at retail under GTE's local exchange tariff.

GTE will provide COCOT coin and coinless line services under the terms of applicable tariffs. The FCC determined that the LEC need not make available service to independent public payphone providers at wholesale rates.

MCI Position. A distinction must be made between GTE's offering of bundled payphone services and the offering of the access line and other network services which MCI seeks to obtain at wholesale rates. GTE provides both bundled payphone services, as well as access lines to independent payphone providers. MCI is a telecommunications carrier and is seeking to resell telecommunications services, such as payphone access lines, call screening, LIDB database services, and other telecommunications services. MCI is not seeking to interconnect and purchase these services as an independent payphone provider. LECs must provide their telecommunications services separately from their provision of payphone customer premises equipment ("CPE") and make their services available on a nondiscriminatory basis to all payphone service providers.

Arbitrator's Decision. Payphone services are services which GTE provides at retail to noncarriers. GTE must provide them at a wholesale discount.

Discussion. In 1976, the FCC concluded that payphone services are retail services which incumbents provide to customers who are not telecommunications carriers:

With regard to independent public payphone providers, however, we agree with the American Public Communication Council's argument that such carriers are not "telecommunications carriers" under section 3(44). We therefore also agree with the American Public Communications Council's contention that the services independent public payphone providers obtain from incumbent LECs are telecommunications services that incumbent LECs provide "at retail to subscribers who are not telecommunications carriers" and that such services should be available at wholesale rates to telecommunications carriers. Because we conclude that independent public payphone providers are not "telecommunications carriers," however, we conclude that incumbent LECs need not make available service to independent public payphone providers at wholesale rates. This is consistent with our finding that wholesale offerings must be purchased for the purpose of resale by "telecommunications carriers."

ISSUE NO. 27: Wholesale Pricing Structure

Statement of Issue. Should each and every retail rate have a corresponding wholesale rate?

GTE Position. GTE will make available retail service on a wholesale basis at a wholesale rate structure that mirrors the retail rate structure except for below cost services, promotional services, nonrecurring charges, ICB services, access services, operator services and directory assistance services where no discount applies. Only those retail services that are offered at wholesale should have a corresponding wholesale rate.

MCI Position. GTE's wholesale pricing structure should mirror GTE's retail pricing structure. MCI applies a wholesale discount rate of 16.63% to each and every retail rate of GTE.

Arbitrator's Decision. The wholesale discount rate of 16.63% is adopted across the board.

Discussion. FCC Interconnection Order, 9871 generally requires a wholesale rate for each retail service:

Section 251(c)(4)(A) imposes on all incumbent LECs the duty to offer for resale "any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." (Footnote Omitted) We conclude that an incumbent LEC must establish a wholesale rate for each retail service that: (1) meets the statutory definition of a "telecommunications service;" and (2) is provided at retail to subscribers who are not "telecommunications carriers."

C. UNBUNDLED NETWORK ELEMENTS ("UNEs") (Issue Nos. 28-40)

ISSUE NO. 28: Extent of UNEs

Statement of Issue. What UNEs should be provided to MCI?

GTE Position. This issue is resolved in part by stipulations between the parties. GTE will unbundle the network and provide MCI with the following elements: NID; loops; ports; transport to either a main distribution frame or a meet point with transport facilities of MCI pursuant to rates, terms, and conditions of the GTE EIS tariff; and signaling system.

GTE's provision of UNEs is dependent on MCI's agreement to certain conditions which are necessary to preserve the integrity of the network and ensure that GTE recovers costs: MCI shall notify GTE when it intends to deploy any service-enhancing copper cable technology, and

GTE recovers costs: MCI shall notify GTE when it intends to deploy any service-enhancing copper cable technology, and interfere with existing or future technology within a given cable sheath or other GTE facility; and MCI shall pay all costs associated with unbundling the loop from the switch, including the costs of testing MCI's technology and the costs of any loop conditioning.

GTE relies on Stipulations 208046.1, 208047.1, 207996.1, 208128.1, 207945.1, and 207995.1.

MCI Position. GTE should provide UNES and ancillary services at any technically feasible points, as requested by MCI, including but not limited to: local loop; local switching; tandem switching; transit switching; transport; data switching; intelligent network and advanced intelligent network; operator service; directory assistance; 911; white and yellow pages; repair and maintenance; and dark fiber. In addition, GTE should provide operations support systems used and useful in the following: pre-ordering; ordering; provisioning; design; engineering; maintenance; repair; tracking; management; billing; and any other functions or functionality associated directly or indirectly with UNES and ancillary services.

Arbitrator's Decision. Stipulations 208046.1, 208047.1, 207996.1, 207945.1, and 207995.1 shall be adopted by the arbitrator. Stipulation 208128.1 is adopted subject to the BAR process set forth in Stipulation 208046.1. Furthermore, GTE should provide network elements pursuant to the Arbitrator's decisions on unbundling in Issue Nos. 30 through 40. Otherwise, the position of MCI is adopted.

Discussion. Stipulations 208046.1, 208047.1, 207996.1, 207945.1, and 207995.1 contain language which is inconsistent with MCI's best final offer; therefore, the language of the stipulations shall control. Stipulation 208128.1 does not resolve the terms on which those services might be offered. Insofar as MCI may be seeking a level of support and service which is different than that which GTE provides to itself, the BAR process protects both parties.

Section 251(c)(3) of the Act requires incumbents to provide access to network elements on an unbundled basis at any technically feasible point; §251(b)(3) requires incumbents to provide nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing.

FCC Rule §51.319 specifies unbundling requirements, and §51.319(g) requires incumbents to provide access to operator service and directory assistance facilities where technically feasible.

In its Interconnection Order, §534, the FCC explained the reasoning behind §51.319(g):

We conclude that incumbent LECs are under the same duty to permit competing carriers nondiscriminatory access to operator services and directory assistance facilities as all LECs are under section 251(b)(3). (Footnote Omitted) We further conclude that, if a carrier requests an incumbent LEC to unbundle the facilities and functionalities providing operator services and directory assistance as separate

operator services and directory assistance as separate network elements, the incumbent LEC must provide the competing provider with nondiscriminatory access to such facilities and functionalities at any technically feasible point. We believe that these facilities and functionalities are important to facilitate competition in the local exchange market.... We therefore conclude that unbundling facilities and functionalities providing operator services and directory assistance is consistent with the intent of Congress.

ISSUE NO. 29: Database Dip Charges

Statement of Issue. Should MCI be charged for 800/888 database dips that result in that call being routed to GTE as the 800/888 service provider?

GTE Position. The charge for database dips is required to recover the costs for database 800/888 functionality. The receipt of revenues on an 800/888 call and the receipt of revenues for performing 800/888 database dips allow for the recovery of separate and distinct costs.

MCI Position. MCI should not be required to pay for database dips which are for calls for which MCI receives no revenue and only GTE as the 800/888 service provider receives revenue. Compensation for the termination of toll traffic and the origination of 800 traffic between the interconnecting parties should be based on the applicable access charges.

Arbitrator's Decision. GTE's position is adopted by the arbitrator.

Discussion. Database dips are independent network inquiries and are distinct from the completion of related calls.

ISSUE NO. 30: Implementation of UNES

Statement of Issue. When should GTE offer UNES and services for resale.

GTE Position.. GTE states that it will provide UNES to MCI as soon as reasonably practicable after the effective date of the agreement between the parties. GTE proposes that the parties jointly develop provisioning time frames once the scope and area of UNES and services are known.

MCI Position. For UNES and services for resale, GTE should provide MCI with the capability to order local service, intraLATA, interLATA, and international toll services by entering the MCI subscriber's choice of carrier on a single order on or before January 1, 1997. GTE should also provide MCI with the capability to order separate interLATA and intraLATA carriers on a line or trunk basis.

Arbitrator's Decision. GTE shall provide UNES to MCI as soon as reasonably practicable after the effective date of the Agreement which is approved by the Commissioners.

ISSUE NO. 31: Extent of Combining UNES

Statement of Issue. To what extent should MCI be permitted to combine network elements?

GTE Position. MCI may lease and interconnect to whichever of these unbundled network elements MCI chooses, and may combine these unbundled elements with any services or facilities that MCI may itself provide, pursuant to the following terms:

- a. Interconnection for access to unbundled elements shall be achieved via expanded interconnection/collocation arrangements.
- b. MCI shall maintain those arrangements at the wire center at which the unbundled services are resident.
- c. Each loop or port element shall be delivered to the MCI collocation arrangement over a loop/port connector applicable to the unbundled services through other tariffed or contracted options.
- d. MCI may combine unbundled network elements with MCI's own facilities. MCI shall not combine unbundled network elements purchased from GTE to bypass resale offerings.

If MCI were to unbundle the switch and then recombine those network elements to bypass resale offerings, it would be able to avoid access charges, because GTE will have no way of knowing whether a call routed by MCI is a local call, an intraLATA call or a long distance call. The Act and the FCC's First Report and Order require MCI to continue paying access charges.

MCI Position. MCI may use one or more network elements to provide any feature, function, capability or service option that such network element(s) is capable of providing or any feature, function, capability or service option that is described in the technical references identified in the Agreement, or as otherwise may be determined by MCI. GTE should offer each network element individually and in combination with any other network element(s) in order to permit MCI to provide telecommunications services to its customers.

Arbitrator's Decision. MCI may order and GTE should provision unbundled network elements either individually or in any combination on a single order.

unbundled network elements either individually or in any combination on a single order. Network elements ordered as combined should be provisioned as combined by GTE unless MCI specifies that the network elements ordered in combination be provisioned separately.

Discussion. Section 251(c)(3) of the Act requires an incumbent to provide elements in a manner that allows requesting carriers to combine the elements into services. The FCC Rules, §51.315(c) require incumbents to combine elements in any technically feasible combination that will not harm the other carriers.

In §293 of the FCC Order, the FCC concludes that Congress did not want incumbents to impede entry by declining to combine elements when new entrants might not have the capability to do so:

We agree with AT&T and Comptel that the quoted text in section 251(c)(3) bars incumbent LECs from separating elements that are ordered in combination, unless a requesting carrier specifically asks that such elements be separated. We also conclude that the quoted text requires incumbent LECs, if necessary, to perform the functions necessary to combine requested elements in any technically feasible manner either with other elements from the incumbent's network, or with elements possessed by new entrants, subject to the technical feasibility restrictions discussed below. We adopt these conclusions for two reasons. First, in practice it would be impossible for new entrants that lack facilities and information about the incumbent's network to combine unbundled elements from the incumbents' network without the assistance of the incumbent.... We do not believe it is possible that Congress, having created the opportunity to enter local telephone markets through the use of unbundled elements, intended to undermine that opportunity by imposing technical obligations on requesting carriers that they might not be able to readily meet.

ISSUE NO. 32: Restrictions on Recombined UNEs.

Statement of Issue. Should MCI be permitted to request a combination of network elements which would enable it to replicate services GTE offers for resale?

GTE Position. Such a recombination of GTE's UNE would eliminate the distinction between resale and UNE in the Act, it enables MCI to engage in tariff arbitrage, and it would allow MCI to avoid access charges.

MCI Position. MCI may order and GTE should provision unbundled network elements either individually or in any combination on a single order. Network elements ordered as combined should be provisioned as combined by GTE unless MCI

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Arbitrator's Decision. MCI should be permitted to request a combination of network elements, notwithstanding the fact that it would enable MCI to replicate services that GTE offers for resale.

Discussion. The 1996 Act states, in pertinent part, that it is:

"The duty [of the incumbent LEC] to provide, to any requesting telecommunications carrier for the provision of a telecommunications service...access to network elements on an unbundled basis[.] An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service." 47 USC § 251(c)(3). (Emphasis added).

The Act, on its face, therefore, appears to expressly permit the combination of elements by a requesting carrier for the purpose of providing a telecommunications service. The FCC takes this view, finding no basis to conclude from the Act's language "a limitation or requirement in connection with the right of new entrants to obtain access to unbundled elements." FCC Interconnection Order, ¶328. Consistent with this interpretation, the FCC rules permit the combination of unbundled elements by requesting carriers to provide a telecommunications service. 47 CFR § 51.315(a). This section of the FCC rules is not subject to the Eighth Circuit stay.

While GTE makes a number of practical and policy arguments against permitting combination of elements into a "finished service," GTE's primary statutory argument is that Congress' incorporation of distinct resale and unbundling provisions allows the inference that Congress intended the limitation that GTE seeks. It does not identify any language in Section 251(c)(3) which supports imposition of such a restriction on unbundling. Furthermore, MCI will not be able to unfairly avoid access charges because both parties agree to contract language providing for separate two-way trunks for the exchange of toll traffic transiting GTE's network. See GTE Proposed Contract, Art. IV, § 4.3.2.

ISSUE NO. 33: Sub-loop Unbundling

Statement of Issue. Is sub-loop unbundling technically feasible, and if so, under what terms and conditions should it be offered?

GTE Position. GTE will agree to provide as separate items the loop distribution, loop concentrator, and loop feeder on an individual case-by-case basis where feasible, and only if MCI pays the cost of providing them separately. This is the appropriate way to proceed because sub-loop unbundling is not technically feasible in all instances. Since there is no standard network configuration, the technical feasibility of

instances. Since there is no standard network configuration, the technical feasibility of such unbundling will depend on the manner in which each particular loop is configured. The parties have entered into stipulations to handle such sub-loop unbundling requests on a bona fide request ("BAR") basis.

GTE relies on Stipulations 208046.1 and 208047.1.

MCI Position. Access to loop distribution is technically feasible in general for feeder distribution connections in the interface design. Local loops should be unbundled into the following components: loops concentrator/multiplexer; loop feeder; network interface device ("NID"); and distribution. MCI requests that these sub-loop elements be made available upon demand. MCI opposes a case-by-case process as proposed by GTE.

Arbitrator's Decision. Stipulations 208046.1 and 208047.1 shall be adopted by the arbitrator. Sub-loop unbundling requests shall be processed on a bona fide request basis.

Discussion. The FCC rules do not require subloop unbundling. The FCC did not feel that it had sufficient information to resolve technical feasibility issues for subloop unbundling on the national level. In y391, it left the issue to the states:

the technical feasibility of subloop unbundling is best addressed at the state level on a case-by-case basis at this time.

Subloop unbundling, to the extent it is economically feasible, will result in a more efficient network. The technical feasibility of such unbundling will depend on the manner in which each particular loop is configured. Insofar as GTE may incur additional costs in providing such unbundling, the BAR process protects both parties.

ISSUE NO. 34: Unbundled Switching Element

Statement of Issue. What should the unbundled local switch element include?

GTE Position. The switch element should include the port. Unbundling the switch as MCI requests has numerous feasibility problems, it ignores the limitations on switch capacity and the substantial cost of modifying existing switches, and unbundling these switch items would prevent GTE from identifying calls routed to an IXC, thereby enabling MCI to avoid access charges.

The port generates dial tone and provides the customer a pathway into the public switched telecommunications network. The port does not include all the switching and other capabilities ("vertical features") in the switch. The vertical switch features are services, not elements, and therefore need not be unbundled under the Act. Through the port MCI can obtain access to both the local switching capability of GTE's switch and the capability to route calls from the trunk side of the switch. This provides MCI with

the capability to route calls from the trunk side of the switch. This provides MCI with access to any features on the switch which GTE uses. To the extent that a switch may have capabilities which GTE does not use, and has not purchased from the switch manufacturer, those capabilities could only be provisioned if MCI paid the associated costs, including any necessary switch capacity augmentation.

MCI Position. MCI requests all features and functionality inherent to the switch or switch software, including, without limitation, Advanced Intelligent Network ("AIN") triggers. The costs of any expansion of switching capacity should be considered a cost of doing business and should not be the subject of a special charge. GTE should offer all local switching features that are technically feasible and provide offerings at parity by GTE to itself or any other party.

Local switching, including the ability to route to MCI's transport facilities, dedicated facilities, and systems, should be unbundled from all other UNE.

Arbitrator's Decision. The unbundled switching element shall include all features and functionality inherent to the switch or switch software. To the extent that GTE provides AIN triggers they should be included. To the extent that a switch may have capabilities which GTE does not use and has not purchased from the switch manufacturer, those capabilities are deemed not technically feasible for the purpose of this arbitration. If MCI desires capabilities which require additional direct expenses by GTE the parties shall resort to the BAR process.

Discussion. The Act requires incumbent LECs to provide access to network elements on an unbundled basis. 47 USC § 251(c)(3). The FCC has concluded that the unbundled local switching element includes all vertical features that the switch is capable of providing. FCC Interconnection Order, § 412. This is consistent

with the definition of "network element" found in the Act. 47 USC § 153(29). The arbitrator adopts the FCC's reasoning in § 414.

ISSUE NO. 35: Access to Advanced Intelligent Networks ("AIN")

Statement of Issue. Should GTE provide MCI access to its AIN, and if so, under what terms and conditions?

GTE Position. GTE agrees to provide MCI access to the AIN. MCI can obtain access to GTE's AIN from GTE's AIN SCP. MCI can obtain access by purchasing GTE local switching or via MCI's local switch. GTE believes issues regarding access to AIN have been resolved in negotiations with MCI, and as such are not currently before the Commission.

GTE relies on a purported agreement between the parties that the language contained in Article VI, Section 12 of GTE's proposed agreement has been agreed to on a national basis.

MCI Position. MCI states that the parties have an agreement in principle, but that they disagree over specific contract language. MCI proposes the following:

- MCI should be allowed to purchase the entire set of AIN features or functions, or a subset of any one or any any combination of such features or functions, on a subscriber-specific basis; and
- AIN services provided by GTE shall meet the following requirements:
 - AIN, whether offered under tariff or otherwise, shall be available for resale, without any geographic restrictions;
 - GTE shall provide full functionality access, including the Service Control Point Database and Intelligent Functions;
 - All service levels, features, and function components of AIN shall meet the service parity requirements of the Agreement; and
 - MCI may purchase any and all levels of AIN service for resale, without restriction on the minimum or maximum number of lines or features that may be purchased or any one level of service.

Arbitrator's Decision. The specific contract language proposed by GTE is adopted by the arbitrator. Access to any and all GTE service applications resident in GTE's SCP shall include access to all resident databases and intelligent functions.

Discussion. The GTE contract language does not specifically address access to the SCP database and intelligent functions, and it uses different semantics than the MCI proposed language. See GTE Proposed Contract, Art. V y 5.12; Art. VI, y 12. A SCP is a remote database within the SS7 network and it supplies the translation and routing data needed to deliver advanced network services. As such, access to the service applications resident in the SCP is considered to be synonymous with access to databases resident in the SCP.

ISSUE NO. 36: AIN Transaction Capabilities

Statement of Issue. Should GTE be required to 'exchange AIN' Transaction Capabilities Application Part ("TCAP") messaging between GTE end offices and MCI service control points ("SCP") via interconnection of MCI's SS7 network to the GTE SS7 network?

GTE Position. This type of interconnection is not technically feasible. In order to provide such interconnection, MCI would need direct access to GTE's AIN triggers. Providing MCI a direct link between GTE's triggers and MCI's platform would be unnecessary to providing full functionality, endanger the integrity of the GTE network and raise the risk of system faults. GTE recommends that MCI participate with GTE and other industry participants in an industry forum to define necessary interconnection requirements for this type of interconnection.

Although GTE believes issues regarding access to AIN have been resolved in negotiations with MCI, it sets forth the ramifications of MCI's request. Direct access to AIN would threaten network reliability and security. End office switches were

not designed to support the direct access which MCI seeks. Direct access could allow third parties to charge for: billing information; carrier identification codes; calling party numbers; and, privacy indicators. AIN also introduces a set of functional capabilities that allow an AIN SCP to control internal switch call processing functions. For all these reasons, direct access could severely impact the reliability and security of the public-switched network system, other end users.

GTE relies on a purported agreement between the parties that the language contained in Article VI, Section 12 of GTE's proposed agreement has been agreed to on a national basis.

MCI Position. MCI states that this level of interconnection is required in order for MCI to deploy its own AIN platform. Network integrity is not compromised. While there is some general agreement between the parties, the parties disagree on the contractual details. MCI proposes that SS7 AIN access should provide the MCI SCP access to the GTE local switch via interconnection of the GTE SS7 and MCI SS7 networks. This interconnection arrangement shall result in the GTE local switch recognizing the MCI SCP as at least parity with GTE's SCPs in terms of interfaces, performance and capabilities.

Arbitrator's Decision. Any stipulation or agreement between the parties shall control the decision on this issue. Otherwise, GTE's position is adopted by the arbitrator.

Discussion. FCC Interconnection Order, ¶ 480 sets forth network reliability and security concerns consistent with GTE's position.

ISSUE NO. 37: Access to SS7 System

Statement of Issue. Should GTE provide MCI access to GTE's SS7 system, and if so, at what points and under what terms and conditions?

GTE Position. GTE has offered interconnection with its SS7 system at the signal transfer points (STP), but not at other points. Access to the service control points (SCP) and associated databases is technically feasible at this time only through the STP pair associated with that SCP. MCI must pay for the work and the access.

Today, interconnection with an SS7 network occurs at the STP, which was designed to be the entry point to an SS7 network and to provide access to all SS7 functions. The STP is the only physical point at which interconnection is technically feasible, and GTE will offer such interconnection. By interconnecting at the STP, MCI can gain access to the SCPs and associated databases. MCI can access all of the SS7 functions through this type of interconnection, and the unavailability of further levels of unbundling will not harm its ability to compete in the local service market. Any unbundled access to some SS7 components would jeopardize network integrity. Further, there are no technical standards to support such unbundling.

GTE believes access to SS7 has been resolved through negotiations with MCI, with the expectation of a rate design and billing capability issue. MCI's rate design request is not technically feasible. MCI's proposed rate design for use of GTE's SS7 network includes usage rate elements not currently contained in GTE's relevant tariff and which GTE could not measure and bill. In order to modify its network and install this measurement and billing capability, GTE would have to make a significant new

investment not warranted by MCI's rate design preference.

MCI Position. MCI requests that SS7 should be separately provided as signaling link, STPs, and access to SCP databases. GTE agrees to offer interconnection with its SS7 system at the STP, but not at other points. MCI should not have to pay GTE for access and associated work. MCI proposes:

- GTE should provide access to the SS7 Signaling Network and connectivity to all components of the GTE SS7 network..
- The connectivity provided should fully support the functions of GTE switching systems and databases and third-party switching systems with A-link access to the GTE SS7 network.
- GTE should provide Switching Service Point (SSP) capabilities and signaling software to interconnect the signaling links destined to the STPs.
- In the event that local switching is provided out of a switch without SS7 capability, the tandem shall provide this capability.
- STPs should provide access to all other network elements connected to the GTE SS7 network and support their functions.

Arbitrator's Decision. GTE's position is adopted by the arbitrator.

Discussion. GTE is under no duty or obligation to provide MCI with direct access to the STPs or the databases (which would be the SCPs) from a MCI switch. GTE is offering links and access to the GTE STP from the MCI STP as required.

ISSUE NO. 38: Unbundled Signaling Elements

Statement of Issue. Is GTE required to provide unbundled signaling elements (STP, SCPs, Links, etc.) at cost based rates? Is GTE's SCP database an UNE as defined in the Act?

GTE Position. Unbundling the SS7 system itself into discrete parts is not currently technically feasible, and would jeopardize the integrity of the network. Further, there are no technical standards for doing so. Direct access to GTE's SCP is not technically feasible. Unbundling the signaling elements is not technically feasible, therefore, it cannot be provided at "cost-based rates."

GTE believes access to SS7 has been resolved through negotiations with MCI. The only exception is MCI's demand that it be provided SS7 ports at no cost. There

MCI. The only exception is MCI's demand that it be provided SS7 ports at no cost. There is no reason for an SS7 port in this regard, to be treated differently than any other type of port. MCI should pay the costs associated with the use of this element.

MCI Position. GTE should provide interconnection to its signaling elements at TELRIC-based rates. GTE's signaling elements, including its SCP, are to be considered unbundled elements. Access to the GTE's SCPs should be provided through SS7 interconnectivity as defined by such industry standards as TCAP. GTE should warrant the accuracy of the information provided by the SCP databases. Technical infeasibility has not been established in this proceeding.

Arbitrator's Decision. GTE should provide the interconnection to its signaling elements at TELRIC-based rates as generated by the Hatfield Model Version 2.2.2. See Appendix B. GTE is under no obligation to warrant the accuracy of information that it provides in parity with the information that it provides to itself. If MCI seeks a higher standard of service quality then the matter should be subject to the BAR process.

ISSUE NO. 39: SCE/SMS AIN Access

Statement of Issue. Should MCI have the ability to create service applications from the GTE Service Creation Environment and Service Management System AIN Access?

GTE Position. GTE states that it is willing to allow MCI the ability to create service applications as set forth in the GTE proposed Contract and that MCI has agreed to that contract provision.

MCI Position. The GTE Service Creation Environment/Service Management System ("SCE/SMS") AIN Access should provide MCI with the ability to create service applications via the GTE SMS to the GTE SCP. This interconnection arrangement should provide MCI access to the GTE development environment and administrative system in a manner at least in parity with GTE's ability to deliver its own AIN-based services.

Arbitrator's Decision. The operational interfaces which GTE provides to MCI for direct access must be at parity with the interfaces it provides for internal use.

Discussion. FCC Rule y 51.319(e)(3) states that an incumbent LEC shall provide a requesting telecommunications carrier the same access to design, create, test, and deploy AIN-based services at the service management system, through a service creation environment, that the incumbent LEC provides to itself.

ISSUE NO. 40: Dark Fiber

Statement of Issue. Should MCI have access to GTE's unused transmission media ("dark fiber")?

GTE Position. Dark fiber is not a facility or equipment used in the

GTE Position. Dark fiber is not a facility or equipment used in the provision of a telecommunications service. Unbundling of dark fiber would compromise GTE's ability to control and plan for the use of its network.

The Act defines "network element" to include only those facilities that are "used in the provision of a telecommunications service." GTE and other carriers do not "use" dark fiber in their networks--transport circuits must be "lit" to be used to provide telecommunications service. Because dark fiber does not meet the statutory definition of a network element, it is not subject to unbundling. As unused equipment, dark fiber is similar to cable stored on a reel in a warehouse. It has been placed in the ground at a given time only because it makes better economic sense to do so from a network planning and construction cost perspective. Allowing other parties to take advantage of GTE's placement of spare cable disrupts its planning process, thereby raising its costs. GTE prudently deploys fiber to meet its customers' need over a reasonable planning horizon. Compelling GTE to hand over fiber to MCI so that MCI might provide a DSL private line would deprive GTE of the ability to serve thousands of other customers. It would also fragment GTE's network and strand investments.

Even if the Act generally compelled ILECs to make dark fiber available, important operational and technical feasibility concerns would call for restrictions and special handling procedures. Due to fiber's high capacity, damage to it can cause very serious customer impacts, and fiber is very sensitive to damage. GTE would have to have full control of any MCI connections to dark fiber, and those connections would have to be made at points in the network which minimized the risk of customer service impacts. MCI would have to cover the extra costs of these necessary precautions and additional maintenance activity.

MCI Position. MCI would like access to dark fiber so that it can use its own electronics to light the fiber in order to control capacity and bandwidth to meet its own requirements. The only two tests under the Act for denying unbundled access is that it is either technically infeasible or that it is proprietary. MCI states that GTE has not established that either test is met with regards to dark fiber.

"Network element " is broadly defined in the Act as "a facility or equipment used in the provision of a telecommunications service." Dark fiber is nothing more than another level of transmission hierarchy. Dark fiber is not a spool of cable; it is capacity to provide service. From an engineering perspective, dark fiber falls within dedicated transport and is part of the transmission hierarchy.

Dark fiber is necessary for MCI to expand its network. Without the ability to obtain dark fiber, MCI would be required to compensate GTE for the use of electronics in situations in which MCI can provide all or a portion of such electronics more efficiently itself. MCI's alternative is to construct facilities duplicating those of GTE. Unbundling is designed to avoid this result. GTE should make available unused transmission media to MCI under an Indefeasible Right of Use or license agreement on terms at least equal to those which it affords itself and its affiliates, subsidiaries and others.

Arbitrator's Decision. Dark fiber is a network element and should be unbundled.

Discussion. Under the 1996 Act, "[t]he term network element' means a facility or equipment used in the provision of a telecommunications service[.]" 47 USC y 153(45). As GTE notes, the FCC felt it had an insufficient record to define dark fiber as a network element and declined to address the issue. FCC Interconnection Order, y 450. The Washington Commission has not made a specific determination as to whether dark fiber constitutes a network element. While there is no dispute that dark fiber is not currently being "used" to provide service, the arbitrator finds that the statute should be broadly interpreted. The purpose of fiber is to be used to provide telecommunications service, as the Commission has recognized. Allowing access to dark fiber is comparable to allowing access to capacity on poles, conduits, or rights-of-way. Issues of technical feasibility can be addressed as they arise. In the meantime, this component of the network should be available to competitors to allow them to provide service.

D. INTERCONNECTION (Issue Nos. 41-43)

ISSUE NO. 41: Dedicated and Common Transport

Statement of Issue. Should GTE be required to provide both dedicated and common local transport to MCI on an unbundled basis?

GTE Position. GTE will treat dedicated transport as a single item and make it available out of the access tariff. In addition, common transport is available out of the access tariff. These services are already available under tariff; MCI is already purchasing them. The Act does not require them to be relabeled "network element" just so MCI can argue for a discount. The only discounts to which MCI is entitled under the Act are for resold retail services. Access services are not retail services.

MCI Position. Dedicated and common transport should be unbundled. The parties may have come to an agreement in principle that GTE will use special access transport to extend the trunk group from the interconnection point to the designated tandem; however, the parties do not have agreement on contract language. MCI's contract language should be adopted because it contains the appropriate level of detail to permit implementation and avoid future disputes.

Arbitrator's Decision. Dedicated and common local transport should be unbundled as a network element.

Discussion. The FCC specifically included transport trunks in its definition of the "network element" term. FCC Interconnection Order, y 262. In y440, the FCC specifically requires incumbents to unbundle transmission facilities. While GTE may prefer to price transport as a service under tariff, transmission should be provided as a network element.

ISSUE NO. 42: Interconnection Points

Statement of Issue. What are the appropriate interconnection points for the transport and termination of traffic?

GTE Position. GTE states that this issue is resolved by Stipulation 207946.1, except for issues of compensation. Subject to mutual agreement the following types of network facility connection are offered:

1. A mid-span fiber meet point within a GTE exchange area;
2. An end office;
3. An access tandem.

Under the Act, interconnection can take place only at points where it is technically feasible. Act, § 251(c)(2)(B). To this end, many factors may frustrate or even prevent interconnection; technical feasibility should not be presumed (and interconnection mandated) just because one carrier may have already interconnected at a given point. This point is recognized in the FCC's Order, which states that interconnection at a particular point using particular facilities is only "substantial evidence" of technical feasibility at that point or at "substantially similar points in networks employing substantially similar facilities." However, with this need for flexibility in mind, GTE believes that MCI's interconnection needs may be fully met at GTE end offices and access tandem offices, as well as mid-span meet point locations within GTE's service territory.

MCI Position. MCI should be allowed to interconnect with GTE at any technically feasible point in its network, including but not limited to: mid-span fiber meets; entrance facilities; telco closets; end offices; and access tandems. MCI's contract language should be adopted because it contains the appropriate level of detail to permit implementation and avoid future disputes.

Arbitrator's Decision. Stipulation 207946.1 shall be adopted by the arbitrator. MCI should be allowed to interconnect with GTE at any technically feasible point in GTE's network. Interconnection at points other than end offices, access tandem offices, and mid-span fiber meets should be the subject of a bona fide request process.

Discussion. Section 251(c)(2) of the Act requires all incumbent local exchange carriers to provide interconnection "at any technically feasible point." GTE cannot refuse to interconnect at any permissible location under the FCC's rule without considering technical feasibility. However, since technical feasibility is a factual issue depending on the premises and the equipment MCI proposes to install, interconnection at points other than end offices, access tandem offices, and mid-span fiber meets should be the subject of a bona fide request process. There is an inherent presumption of technical feasibility in the statute because GTE has the burden of proving lack of feasibility.

ISSUE NO. 43: Tandem-to-Tandem Switching

Statement of Issue. Should GTE be required to provide tandem-to-tandem switching for the purpose of termin

GTE Position. GTE agrees to provide tandem switching if MCI interconnects at the GTE tandem, but will not provide tandem-to-tandem switching until

interconnects at the GTE tandem, but will not provide tandem-to-tandem switching until such time as (1) MCI has entered into one of the existing intraLATA toll compensation mechanisms; or (2) signaling and AMA record standards support the recognition of

multiple tandem switching events. In this way, the parties can ensure proper billing for inter-tandem switching. Given the agreements contained in Stipulation 207946.1, GTE believes that these issues are resolved.

MCI Position. The parties have reached an agreement in principle on this issue. MCI's contract language should be adopted because it contains the appropriate level of detail to permit implementation and avoid future disputes.

Arbitrator's Decision. Stipulation 207946.1 shall be adopted by the arbitrator. Unbundled tandem-to-tandem switching is technically feasible and should be provided. Requests for tandem-to-tandem switching which varies from the stipulation should be the subject of a bona fide request process.

Discussion. The FCC Interconnection Order, ¶ 425, concluded that it is technically feasible to unbundle tandem switching.

ISSUE NO. 44: Terms of Collocation

Statement of Issue. When and in what circumstances should collocation be permitted?

GTE Position. MCI should be permitted to collocate at central offices, service wire centers and tandem switches, not at vaults or manholes, and not at remote units unless a given unit offers routing or rating capability and has sufficient space. GTE may require the implementation of reasonable security measures to protect equipment and facilities of GTE and other collocators.

Under the Act, physical collocation is required unless space limitations call for the use of virtual collocation. Thus, while GTE supports virtual collocation, the arbitrator cannot mandate it in this case except where physical collocation is not possible; arrangements for virtual collocation in other circumstances is beyond the scope of this arbitration. Physical collocation will not be possible in certain GTE facilities, such as manholes and controlled environmental vaults ("CEV"), due to lack of space for the security structures needed for physical collocation. Manholes have insufficient space for even the virtual collocation of equipment, and CEV's are also unlikely to have enough space for virtual collocation. Central offices and tandem sites, on the other hand, should be able to accommodate virtual collocation, and many such locations may have enough space for physical collocation by some number of other carriers.

GTE relies on Stipulations 207947.1.

MCI Position. MCI does not dispute GTE's right to implement reasonable security measures to protect the equipment and facilities of GTE and other collocators; however, GTE can not use such measures to unreasonably limit the use of the

however, GTE can not use such measures to unreasonably limit the use of the collocated space by MCI.

The parties have reached an agreement in principle on this issue. MCI's contract language should be adopted because it contains the appropriate level of detail to permit implementation and avoid future disputes.

Arbitrator's Decision. Stipulation 207947.1 shall be adopted by the arbitrator. Collocation should occur under GTE's federal virtual collocation tariff and its proposed TELRIC-based physical collocation rate.

Discussion. FCC Rules 95.1.323(i) allows the ILEC to require reasonable security arrangements as part of the collocation process. While it is reasonable that any qualified GTE personnel have access to MCI's collocation space in the event of an emergency, evidence relating to a determination of what constitutes "qualified" has not been submitted in this proceeding, nor has any evidence of what constitutes an "emergency" been submitted.

It is important to keep in mind that collocation is a limited measure, designed to remove technical barriers to new local exchange providers entering the local telephone market. Collocation is not intended as a vehicle by which new entrants may avoid offering true facilities-based competition by building their businesses on the premises of their competitors. If, as the Act intends, new entrants proceed rapidly to true facilities based competition, and a significant number of CLECs enter the market by using GTE's premises, available space would be rapidly exhausted. Thus, collocation is at best an interim measure. Like all interim measures under consideration in this case, its purpose must be twofold: to ease the initial process of building facilities, and to ensure that during this interim period customers are not disadvantaged.

ISSUE NO. 45: Equipment Subject to Collocation

Statement of Issue. What types of telecommunications equipment may be collocated on GTE's premises?

GTE Position. MCI should be permitted to collocate only equipment that is necessary for interconnection or access to unbundled network elements. This would include transmission equipment for termination, concentration equipment and multiplexing equipment. Switching equipment, enhanced services equipment and customer premises equipment should not be allowed.

The fundamental purpose of the "interconnection and access" provisions of the Act is to enable an interconnector to use ILEC network components without having to purchase complete switched access or exchange service. The FCC has recognized the importance of limiting the types of equipment that must be collocated on a LEC's premises to equipment that is necessary and directly related to the competitive provision of basic transmission service. Of primary concern to GTE is MCI's request to collocate remote switching units or modules ("RSUs" or "RSMS") in GTE's central offices. GTE may at some time be interested in negotiating such arrangements as unregulated real estate transactions, but this topic is clearly outside of the Act and the scope of this

estate transactions, but this topic is clearly outside of the Act and the scope of this arbitration. The Act contains no exception for small switches. MCI may not be allowed to require GTE to accept switching equipment in its facilities.

MCI Position. MCI should be permitted to collocate the amount and type of equipment it deems necessary in its collocated space, including the ability to place remote switching units (RSUs) in the collocation space. GTE should not be permitted to restrict the types of equipment or vendors of equipment to be installed. RSUs perform necessary concentration functions and do not present issues of infeasibility.

Arbitrator's Decision. MCI is permitted to collocate only equipment that is necessary for interconnection or access to unbundled elements. RSUs are switching equipment that should not be collocated.

Discussion. The FCC Interconnection Order, at ¶581, declines to "impose a general requirement that switching equipment must be collocated since it does not appear that it is used for the actual interconnection or access to unbundled network elements." Where, as here, the functionality of the particular equipment is in dispute, the FCC states that "the state commission will determine whether the equipment at issue is actually used for interconnection or access to unbundled elements." Neither the Act nor FCC rules require an incumbent to allow a new entrant to collocate switching equipment inside the incumbent's central office. MCI has the option of using either subloop unbundling alternatives or direct (copper) cable from GTE's central office to connect customers to a nearby MCI switching location. MCI and GTE should explore other alternatives, such as the use of digital cross connect systems (DCS) to eliminate the need for back to back subscriber loop carrier configurations.

ISSUE NO. 46: Interconnection of Collocated Carriers

Statement of Issue. Should GTE allow interconnection between carriers when those carriers are both collocated at GTE premises?

GTE Position. GTE will provide this connection through the purchase of a GTE unbundled network element. GTE states that this issue is resolved by Stipulation 207947.1, except for GTE's request for thirty days advance notice. GTE maintains that even though this issue is resolved by Stipulation 207947.1, arrangements for inter-collocator connections are outside separately.

Regardless whether GTE has agreed in principle to such inter-collocator connections, the manner of such connections should be subject to security, space management and network integrity considerations. Having GTE make any inter-collocation connections removes the conce themselves running cable across the central office and between cages. The FCC's Order allows collocating customers to connect directly to each other if the incumbent LEC elects not to provide this connection. Here, however, GTE has agreed to provide this connection through the purchase of a GTE unbundled network element.

MCI Position. GTE should permit a collocating telecommunications

MCI Position. GTE should permit a collocating telecommunications carrier to interconnect its network with that of another collocating telecommunications carrier at GTE's premises and to connect its collocated equipment to the collocated equipment of another telecommunications carrier within the same premises.

Arbitrator's Decision. Stipulation 207947.1 shall be adopted by the arbitrator. The FCC's rules require GTE to allow direct connections between collocating telecommunications carriers. GTE shall facilitate interconnection within a reasonable time, but in no case later than 30 days.

Discussion. In FCC Interconnection Order, ¶ 594, the FCC concluded that incumbents should be required to permit direct connections between collocators. FCC Rules ¶ 51.323(h) requires incumbents to permit direct connections between collocators.

ISSUE NO. 47: Limits on Collocated Space

Statement of Issue. What limits, if any, may GTE impose upon the use of the collocated space?

GTE Position. In addition to the limits on the type of equipment which may be collocated, collocation activities must also be conducted safely and in a manner which will not damage or degrade GTE's network or other facilities. Proper bonding and electrical surge protection must be in place. Excessive use of electrical power and the use of hot running equipment which would strain environmental control systems cannot be permitted.

MCI Position. GTE may place reasonable security restrictions on access by MCI's employees and designated agents to the MCI collocated space in unmanned GTE offices. In no case should any reasonable security restrictions be more restrictive than those GTE places on its own personnel.

Arbitrator's Decision. GTE may require reasonable security arrangements as part of the collocation process. It is reasonable that security restrictions on access by MCI's employees be no more restrictive than those GTE places on its own personnel.

Discussion. FCC Rules ¶51.323(i) allows the ILEC to require reasonable security arrangements as part of the collocation process. The record states that MCI would be willing to pay for any additional power or air conditioning necessitated by its collocation. (Berg, Tr. 422-423).

ISSUE NO. 48: GTE Space Reservation

Statement of Issue. Does GTE have the right to reserve central office space for its own use or deny access for lack of physical space reasons?

GTE Position. ILECs have the right to reasonably reserve space for their own use. GTE believes a five year planning horizon for reservation of space is just and reasonable. Although GTE may deny physical or virtual collocation if no space is available, GTE would, in such case, discuss alternative arrangements with MCI that will afford comparable access to the GTE Network.

GTE must retain the ability to use its property for its own legitimate purposes, including the meeting of its service obligations. In some older central offices which formally housed large electro-mechanical switches, GTE may have more space than it will need for future digital switching equipment additions. On the other hand, in many locations counts on having existing space available for its needs. This space should not be taken away from GTE and handed over to competitors; it should not be considered space available for collocation under the Act.

GTE believes that a 5-year planning horizon for reservation of space is just and reasonable. This is especially true given GTE's obligation under State law to serve all customers who request service, that GTE has substantially greater equipment needs (and obligations) than do CLECs, and that GTE must plan not only for its future expansion but also for collocation demands by an unknown number of CLECs.

MCI Position. GTE's position that it should be allowed to retain space for itself based upon a five year planning horizon renders processes for ordering and provisioning collocated space meaningless and should be rejected.

Arbitrator's Decision. GTE's five year time frame is not reasonable and the FCC's standard should apply.

Discussion. The FCC Rules §51.323(f) allows for the reasonable reservation of space. The FCC Order recognized the need for both incumbents and new entrants to reserve space for future use. FCC Interconnection Order, §586. In §604, the FCC prohibited incumbents from reserving space for themselves under terms more favorable than they allow new entrants to reserve space. The FCC's order provides guidance in the reference to new entrants taking space the incumbent "had specifically planned to use" for serving its own customers. The party seeking to reserve space must establish specific planned space use, and the ILEC has the burden of establishing specific planned use if it rejects a new entrant request for present use.

ISSUE NO. 49: Expansion of Facilities

Statement of Issue. Is GTE required to make additional space/capacity available to MCI for collocation if GTE does not have current space available? If so, in what timeframe should GTE make such capacity available?

GTE Position. Nothing in the Act requires GTE to serve the role of a subcontractor or property agent. An ILEC does not have to purchase additional plant in order to respond to a collocation request. GTE will determine the timing of adding capacity to its facilities based on GTE's growth needs. Once it has been determined

capacity to its facilities based on GTE's growth needs. Once it has been determined that additional capacity is required, GTE will factor in collocation forecasts in planning how much capacity should be added. Pursuant to the Act, ILECs must provide for collocation "at the premises of the local exchange carrier." The word "premises" refers to an incumbent LEC's existing space, not the space (or premises) that an ILEC could or might acquire for its own benefit or for the benefit of a third party. GTE should not be required to procure or make available additional space where GTE's existing space is insufficient to accommodate a collocation request. Further, the FCC's rules currently provide that GTE may not "be required to lease or construct additional space to provide for physical collocation when existing space has been exhausted."

MCI Position. GTE should be required to expand its facilities or obtain additional space to make the necessary collocation space available pursuant to requests. GTE should not be excused from offering physical collocation unless there is no practical way of offering additional space by expanding into contiguous space, taking MCI needs into account when planning renovations of existing space, leasing additional space or relinquishing space held for future use.

Arbitrator's Decision. GTE should be required to expand its facilities or obtain additional space to make the necessary collocation space available pursuant to requests. GTE should not be excused from offering physical collocation unless there is no practical way of offering additional space.

Discussion. In FCC Interconnection Order, y585, the FCC requires incumbents to expand a new entrant's collocation space into any available contiguous space. While the FCC require incumbent LECs with limited space availability to take into account the demands of interconnectors when planning renovations and leasing or constructing new premises, y605, specifically declined to require incumbents to expand collocation capacity to accommodate a request for more space from a new entrant at no cost.

The federal Act contains no specific authorization for construction charges; however, if a construction charge would be included in a retail rate to an end-user under tariff GTE may assess that charge.

F. OPERATIONS SUPPORT SYSTEMS (Issue Nos. 50-58)

ISSUE NO. 50: Real-Time Interfaces

Statement of Issue. Should service ordering and provisioning of network element features, functions and resale services be measured by real-time?

GTE Position. GTE will ultimately establish an electronic gateway for on-line ordering and provisioning. not yet developed, and are being worked on by industry groups which include GTE and MCI. Until national standards and cost recovery mechanisms are developed, GTE will provide ordering and provisioning through its National Order Management Center.

MCI Position. GTE should provide MCI with real-time electronic

MCI Position. GTE should provide MCI with real-time electronic interfaces for transferring and receiving information and executing transactions for all business functions directly or indirectly related to service ordering and provisioning of Network Elements, features, functions, and resale services.

Arbitrator's Decision. GTE shall provide interim ordering and provisioning through its National Order Management Center. GTE shall implement the Ordering Billing Forum (OBF) industry solution immediately subsequent to its specification.

Discussion. GTE has provided MCI with information regarding all of its products and services available by central office or those that are supported from an address. GTE has also provided MCI with its street address guides (SAG) to enable MCI

to validate addresses while speaking with customers. (Cox, Tr. 500). The need to develop industry standards is in conflict with MCI's immediate need for real-time operations support systems. It is probably safe to presume that MCI is not alone in its need. The OBF is comprised of industry representatives including GTE and MCI. (Cox, Tr. 516). There is no evidence in the record to suggest that the OBF is dominated by any one special interest group. The OBF has a target date of the end of the first quarter of 1997 to implement phase two development of the local service request (LSR) solution. The OBF LSR would create a gateway giving MCI real-time interactive ability to perform its pre-ordering. (Cox, Tr. 507-509).

ISSUE NO. 51: Customer Account Information

Statement of Issue. What authorization is required for the provision of customer account information to MCI?

GTE Position. Customer Proprietary Network Information ("CPNI") must not be disclosed without individual, written authorization. Absent an "affirmative written request by the customer," as called for by the Act, MCI may not be permitted to access GTE or other CLEC customer record information in GTE databases, or to have customer accounts transferred "as is," since this would reveal "CPNI".

MCI's proposal is that it be allowed to perform "self-certification" that the customer has actually requested to change local carriers from GTE to MCI "as is". Such a procedure invites abuses.

GTE states that the FCC is currently undertaking a rulemaking to determine the appropriate processes for protecting CPNI when a customer changes local service providers. CC Docket No. 96-115. The parameters of the exception to the written authorization requirement set forth in the Act will be determined in that proceeding. Consequently, it is GTE's intention to comply with whatever procedures the FCC establishes in a final and effective order with respect to release of CPNI to CLECs requesting service.

MCI Position. The Act authorizes disclosure of a customers service record for the purpose of enabling a new carrier to provide service. GTE should not